

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1709 - HB 2106

March 11, 2009

SUMMARY OF BILL: Establishes the "Tennessee Pregnant Women Support Act" which requires the Department of Health to develop an informational pamphlet for distribution to women about pregnancy services and develop a toll-free hotline for pregnancy assistance. Creates the "Tennessee Pregnant Women Support Fund." Requires health insurance companies to not treat pregnancy as a pre-existing condition.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

Exceeds \$50,000/Tennessee Pregnant Women Support Fund

Increase State Expenditures - \$32,200/One-Time

\$530,900/Recurring

Exceeds \$50,000/Tennessee Pregnant Women Support Fund

Increase Local Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would not result in a significant increase in the cost of health insurance premiums.

Assumptions:

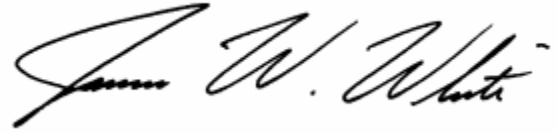
- The Department of Health will provide the informational pamphlet on the Department's Web site for easy access to providers and individuals and easier, less costly maintenance to keep the information up-to-date resulting in a not significant increase in expenditures.
- The Department estimates the need for a public health educator and an administrative services assistant to handle duties of developing and updating the informational pamphlet, working with providers on providing the information, and answering the hotline calls.
- These two positions are estimated to increase one-time expenditures by \$9,500 for computers (\$3,200), printers (\$900), and office set-up (\$5,400) and recurring expenditures by \$134,946 for salaries (\$79,512),

benefits (\$27,034), administrative allocation (\$15,800), communications and networking (\$3,200), office leases (\$8,200), and supplies (\$1,200).

- The Department estimates that the creation, implementation, and support of the “Tennessee Pregnant Women Support Fund” will require an additional public health program director, public health educator, accountant, administrative services assistant, and administrative secretary.
- These five positions are estimated to increase one-time expenditures by \$22,700 for computers (\$8,000), printers (\$1,200), and office set-up (\$13,500) and recurring expenditures by \$345,910 for salaries (\$204,858), benefits (\$69,652), administrative allocation (\$39,500), communications and networking (\$7,400), office leases (\$20,500), travel (\$1,000) and supplies (\$3,000).
- The Department will raise funds, solicit gifts and donations, and apply for grants for the fund. Grant funds awarded to the entities can be used solely for carrying out activities enumerated in the bill.
- It is unknown the amount of grants, gifts, donations or other funds the Department will be able to collect. It is reasonably estimated that the increase in revenue to the Tennessee Pregnant Women Support Fund will exceed \$50,000.
- It is estimated that any increase in revenue for the Tennessee Pregnant Women Support Fund will be awarded to approved entities resulting in an increase in expenditures of \$50,000.
- The Department assumes that the promotion of the pregnancy support hotline and adoption awareness will be done through the Department’s Web site with links to resources and through media outlets. It is estimated this will result in an increase in expenditures of \$50,000.
- The Department of Commerce and Insurance will be responsible for the administration and enforcement of the prohibition of classifying pregnancy as a pre-existing condition. Any cost for insurers to revise necessary forms and investigate complaints against insurers will not be significant.
- The State, Local Government, and Local Education Health Plans have adopted pre-existing condition exclusion provisions but the exclusion is specifically waived for pregnancy and newborns.
- Any local government that did not option to participate in the state sponsored health plan will not incur a significant increase in expenditures for the mandated prohibition of classifying pregnancy as a pre-existing condition.
- TennCare is excluded from the provisions of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml